

Maine Legislature

House Democratic Office

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Goode: Health Insurance “Rate Hike Law” must be repealed

Good morning, I’m State Rep. Adam Goode from Bangor.

Most people in Maine think every family deserves a chance to see a family doctor. Being healthy is not and should not be a privilege.

Unfortunately, for many Maine families and small businesses in rural parts of the state, the cost of going to the doctor or filling a prescription has gotten more expensive in the past year.

Part of the reason for the increase is a new law passed by the Republican-controlled Legislature, which deregulated the insurance market and eliminated critical consumer protections.

I opposed this law along with my fellow Democrats because it allows insurance companies to charge significantly higher rates based on where you live, on your age, or on what kind of job you have. In fact, insurance companies can hike rates five times as much based on your age.

So, if you are a 55 year-old without health insurance, a new policy can cost you 500 percent more than a 26 year old.

The stories of skyrocketing rates are cropping up across the state and they are making it harder for small businesses to turn a profit and for families to pay the bills.

A new independent report from a consumer advocacy group released earlier this week confirmed exactly what we’ve been hearing from small businesses and older Mainers across the state: Health insurance rates are going up and coverage is getting worse.

The report says the law has resulted in higher premiums for the majority of Mainers, 91 percent of Mainers between the ages of 55-59 saw increases, and everyone over 60 saw their rate hikes jump.

Small businesses in Aroostook, Penobscot, Piscataquis, Knox, Hancock, Lincoln, Waldo, and Washington counties are bearing the brunt of the new law. Ten times as many small businesses have seen an increase in rates rather than a decrease.

For example, Econo Electric in Skowhegan experienced sticker shock when it was quoted a 42 percent increase by its Anthem broker for less comprehensive coverage, according to news reports on the rate hikes.

In Bath, Briggs Advertising saw a 67 percent increase in their rates.

A flagship store in Ellsworth, The Grasshopper Shop, saw their premiums rise hundreds of dollars per month and its deductible doubled.

Now, how can any small business expect to turn a profit with those kinds of costs?

Lawmakers must repeal this rate hike law that has made it harder to live and work in Maine.

While younger, healthier Mainers in southern areas like Portland and Scarborough are getting lower cost health insurance, older Mainers, small businesses, most everyone in rural areas are paying the price. This is exactly what the for-profit insurance industry wants; to avoid covering those who may be older and more likely to get sick.

This is a race to the bottom in health care.

Younger Mainers may be paying less, but it's not for quality care. Some policies won't even cover maternity costs.

What is the point of buying insurance if it isn't there for you when you need it most?

Worse, the Republican law lets insurers hike rates up to 10 percent without requiring a prior review or approval from regulators. This year insurance companies have hiked rates -- with no prior approval -- to increase their profits by millions of dollars.

The Republican rate hike law picks winners and losers, pads the pockets of insurance companies, and puts an unfair tax on all Maine insurance holders. Lawmakers should repeal this law next year and start working for the people of Maine not the insurance industry.